

Business Review and Prospects

The Group's turnover for the year was HK\$175,033,000, representing an increase of 31.7% over last year. The Group recorded a net profit attributable to shareholders of HK\$36,462,000 for the year, as compared to a loss of HK\$666,142,000 for previous financial year. The profit came mainly from the Group's unrealised gain of its shareholding in Shenzhen Huaafa Electronics Company Limited ("Huaafa"). The Group was one of the founders in setting up of Huaafa in December 1981. Although Huaafa was listed on the Shenzhen Stock Exchange since April 1992, the Group's shareholding in Huaafa was not freely transferable until the uplift of its restrictions as stated in the Company's announcement dated 4 June 2001.

Pursuant to the Sale and Purchase Agreement dated 30 November 2001, the Group disposed of 30,000,000 shares, out of its total shareholding of 31,405,954 shares, in Huaafa for a consideration of HK\$135,000,000. The disposal resulted in an unrealized profit of HK\$105,754,000 contributing to the Group. Since the transaction was only completed on March 2002, the profit was only reflected in the consolidated accounts of the year as an unrealized profit. On the other hand, a loss of HK\$32,807,000 was recorded from the disposal of part of the Group's shares in TCL International Holding Ltd. ("TCL") and an unrealized loss of HK\$19,392,000 was recorded for the Group's remaining holding in TCL.

業務回顧及展望

本集團本年度之營業額為175,033,000港元，相比去年同期上升31.7%。本集團本年度錄得股東之應佔淨盈利36,462,000港元，而上年度同期錄得666,142,000港元之虧損。盈利主要來源來自本集團出售深圳華發電子股份有限公司（「華發」）股份之未兌現盈利。本集團為華發成立於一九八一年十二月之始創法人之一。雖然華發已於一九九二年四月於深圳證券交易所上市，但本集團持有之華發股份為受限制轉讓之法人股股份，直至如本公司於二零零一年六月四日之公佈中所述，其轉讓限制已獲得解除。

根據二零零一年十一月三十日之買賣協議，本集團以135,000,000港元之代價出售30,000,000股華發股份（出售前之持股數為31,405,954股）。該出售為本集團帶來未兌現盈利105,754,000港元。由於該項交易於二零零二年三月才正式完成，因此於本年度之綜合帳上只列作為未兌現盈利。另外，本集團於本年度內出售部份其持有之TCL國際有限公司股份（「TCL」）並帶來虧損32,807,000港元。至於未出售部份仍持有之TCL則帶來未兌現虧損19,392,000港元。

Cement

Contributions to the turnover and operating profits of the Group from its cement operations in Vietnam were HK\$163,905,000 and HK\$34,533,000 respectively for the year ended 31 December 2001. The cement plant in Vietnam recorded an annual sale of 555,000 tonnes of cement and clinker, representing an increase of over 50% as compared to that of previous year. It therefore also means that the sales growth rate has consecutively increased for more than 50% per annum for the past two years. Yet, the sales amount has increased 39% as compared to that of previous year, contributed by a decrease in sales price. Besides, the depreciation of the Vietnamese Dong ("VND") has also eroded part of the contributions from the cement plant.

As the cement plant has almost reached its original designed capacity, additional investments have been put in to expand its production capacity to 800,000 tonnes and the total transformation is expected to be completed in 2003.

Although the economies of the South East Asian countries were generally weak for the year 2001, Vietnam still recorded an annual GDP's growth rate of more than 6%. According to Vietnamese government statistics, the local demand for cement is expected to grow at a rate of 12% per annum. Foreseeing the Group's cement business in Vietnam, a stable growth in turnover and contribution is expected for the coming years.

水泥業務

本年度本集團位於越南之水泥業務分別為本集團帶來163,905,000港元及34,533,000港元之營業額及經營溢利。水泥廠全年錄得555,000噸之水泥及水泥半成品之銷售，相比去年同期增長超過50%，亦即代表水泥廠之銷售連續兩年均錄得超過50%之增長率。但由於售價之下調，銷售總金額相比去年只錄得39%之增長。另外，越南盾之貶值亦侵蝕了部份水泥廠之盈利貢獻。

因水泥廠已達致其設計生產量之飽和點，本集團已額外投資於水泥生產線以擴充其生產量至每年800,000噸，並預計可於2003年全部完成。

雖然本年度東南亞國家普遍之經濟狀況較為疲弱，但越南之國民生產總值仍錄得超過6%之增長。根據越南政府統計，本地水泥需求每年之增長率預計為12%。展望本集團於越南之水泥業務來年之銷售及盈利貢獻將預期會有較穩定之增長。

Saigon Trade Center

With a lack of significant inflow of foreign investments in Vietnam for the year 2001, the leasing situation of the Saigon Trade Center ("STC") has not shown much breakthrough. The occupancy rate of the STC as at 31 December 2001 was 52% and thus only a slight increase of 2% in occupancy rate was recorded when compared to last year.

Pursuant to the Sale and Purchase Agreement dated 15 September 2001, the Group acquired the remaining 25% holding of Luks-Lavico Company ("LLC"), the holding company of the STC with a consideration of approximately HK\$11,895,000. As the Ministry of Planning and Investment of Vietnam approved the transaction only at the year-end of 2001, LLC was treated as a jointly controlled entity in the Consolidated Profit and Loss Accounts of the Group for the year ended 31 December 2001, whereas in the Consolidated Balance Sheet as at 31 December 2001, it was treated as a wholly owned subsidiary of the Group. After the acquisition, LLC will be renamed as "Luks Land (Vietnam) Limited". Contribution from the loss of the STC to the Group was HK\$34,503,000 for the year ended 31 December 2001.

Although the demand for prime office spaces in Hochiminh City of Vietnam is still weak, the Board of Directors believes that Vietnam is still an attractive country to foreign investments. As the supply of prime office spaces is very limited, the Board of Directors is optimistic to the future prospects of the STC and also considers it is the right timing to acquire all the 100% of the STC. By acquiring 100% of the STC, the Group can also manage the property in a more efficient manner.

西貢貿易中心

越南市場在缺乏大量外國投資之流入，以致本年度西貢貿易中心之租務情況並未有明顯之突破。於二零零一年十二月三十一日，西貢貿易中心之出租率對比上年只輕微上升2%，至52%。

根據二零零一年九月十五日之買賣協議，本集團以約11,895,000港元之代價收購了西貢貿易中心之控股公司，Luks-Lavico Company ("LLC")剩餘之25%股權。越南計劃及投資部於二零零一年年底才正式批准有關交易。因此，LLC於本年度內，在本集團之綜合損益帳上仍以一間共同控制機構身份入帳，而於二零零一年十二月三十一日之綜合資產負債表上則以一間本集團之全資附屬公司入帳。在收購完成後，LLC之名字將被更改為Luks Land (Vietnam) Limited。本年度西貢貿易中心為本集團帶來共34,503,000港元之虧損。

雖然越南胡志明市之優質寫字樓需求仍然疲弱，董事會相信越南仍是一個對外國投資非常吸引之國家。因其優質寫字樓之供應十分有限，董事會對西貢貿易中心之前景感到樂觀。並認為現時是收購西貢貿易中心全部股權之最佳時機。在收購西貢貿易中心全部股權後，本集團在該物業之管理上亦可達致更有效之結果。

Re-domicile to Bermuda

As the investments in Vietnam have become the main stream of income and cashflow of the Group, the Group has through a scheme of reorganization changed its ultimate holding Company to a company incorporated in Bermuda, Luks Industrial (Group) Limited, on 4 April 2001. This helps to streamline the Group structure.

Dividend

In general, the business of the Group has been entering a steady growth stage. Although the operating income from its business is not yet strong, cash flow is solid. As a result, the Board of Directors considers it is an appropriate time to propose a distribution of a notable dividend to the shareholders. In particular, after years of concentrating its resources on investments and reduction of debts, the Group's investments have become more stable and debts are in a low level. The proposed final dividend of HK10 cents per share, together with the interim dividend of HK8 cents resulted in a total dividend of HK18 cents per share for the year ended 31 December 2001.

On behalf of the Board of directors, I would like to thank the management and the staff of the Group for their effort and support.

遷冊至百慕達

因於越南之投資已成為本集團之主要收入及現金來源，本集團已於二零零一年四月四日透過一項集團結構重整計劃將本集團之最終控股公司轉為一間於百慕達註冊成立之有限公司—Luks Industrial (Group) Limited。此舉可令本集團之架構上更流暢。

股息

總括來說，本集團之業務已進入一個較穩定之增長階段。雖然業務上之營運收入並未算強勁，但現金流量較為穩定。因此董事會認為現在乃適當之時候建議向股東派發較顯著之股息。尤其本集團已經過多年集中其資源於投資及減低負債上，而目前本集團之各項投資已較為穩定及負債亦已降至低水平。建議之末期股息每股港幣10仙，連同本年度中期股息每股港幣8仙，令本年度全年之股息共港幣18仙。

最後，本人謹代表董事會對本集團之管理層及各員工對本集團之貢獻及支持表示謝意。